

**Supplemental Reporting Document
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June 2007 Investment Committee Meeting
(April 2007 Reporting Period)**

Semi-Annual and Quarterly Reports

- AIM Program Semi-Annual
- Deferred Compensation Program
- Securities Lending Earnings
- Supplemental Income Plans
- Internally Managed Domestic Equity Index Fund (No items to report)



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June 18, 2007

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Semi-Annual Report - Wilshire
- II. PROGRAM:** Alternative Investment Management (AIM) Program
- III. RECOMMENDATION:** Consent
- IV. ANALYSIS:**

Background

At the August 1997 meeting, the Investment Committee requested that a consultant be retained to provide an independent analysis of the performance of the AIM Program and its consultants. Wilshire Associates was chosen to prepare the semi-annual performance reports. The report has been reviewed by the Performance Monitoring Unit.

Wilshire's report for the period from the Program's inception (1990) through December 31, 2006 is provided in the Wilshire AIM Market Review and Performance Analysis Report (Attachment 1).

V. STRATEGIC PLAN:

Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

Members of the Investment Committee
June 18, 2007
Page 2

VI. RESULTS/COSTS:

Attached is the performance report prepared by Wilshire Associates for the AIM Program from its inception (1990) through December 31, 2006.

Dana C. Warmenhoven
Investment Officer I
Performance Monitoring Unit

Matt Flynn
Division Chief, Investment Office

Anne Stausboll
Chief Operating Investment Officer

Russell Read
Chief Investment Officer

**Alternative Investment Management (AIM)
Market Review & Performance Analysis
For the period ended December 31, 2006**

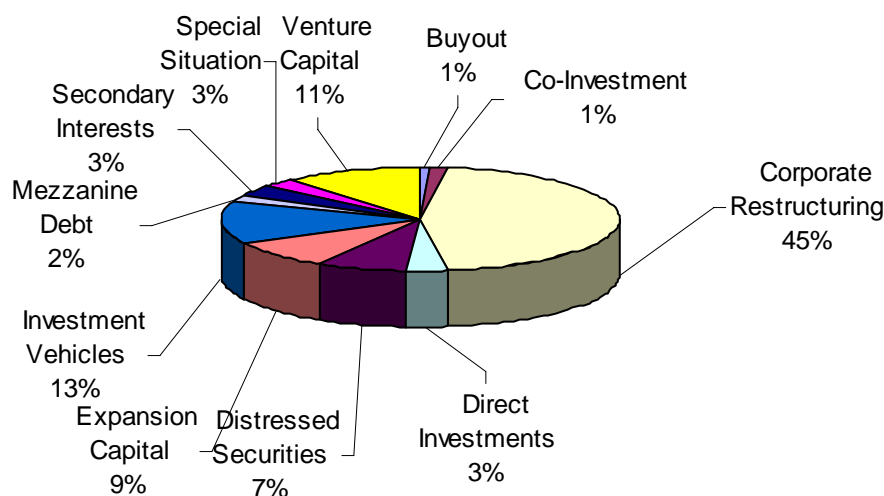
Introduction

The purpose of this report is to discuss the market environment for alternative investments and to compare the performance of CalPERS' AIM Program versus the market. This report is divided into three sections:

1. Performance: The first section lists the December 31, 2006 market values and the performance since inception of the different sectors in the AIM Program.
2. Universe Comparison: The second section compares the performance of AIM's buyout, mezzanine, and venture capital investments to their respective universes on a vintage year basis.
3. Market Environment: The third section will discuss the general market environment for buyouts, venture capital, as well as distressed and mezzanine debt, and the overall European private equity market.

The investment profile of CalPERS' AIM Program ("the Program") is shown in Exhibit I below. The majority of the Program's assets are invested in buyout funds (corporate restructuring), investment vehicles, and venture capital.

Exhibit I
AIM Program Investment Profile
As a Percentage of Active & Exited Commitments¹



¹ Investment Vehicles include California Emerging Ventures I, California Emerging Ventures II, California Emerging Ventures III, California Initiative, and PCG Corporate Partners Program.

Exhibit II displays the performance of CalPERS' AIM Program.

Exhibit II
AIM Program Summary

<u>Investment Category</u>	<u>Commitments</u> <u>(\$mil)²</u>	<u>IRR</u> <u>12/31/2006³</u>
Buyout	\$277.9	(16.0)
Co-Investments	531.0	1.2
Corporate Restructuring	16,279.4	18.3
Direct Investments	1,229.7	21.2
Distressed Securities	2,562.4	17.3
Expansion Capital	3,287.6	3.4
Investment Vehicles ⁴	4,644.7	4.8
Mezzanine Debt	643.5	1.5
Secondary Interests	1,212.3	18.4
Special Situations	973.1	6.1
Venture Capital	4,111.9	8.2
Unclassified	50.0	33.4
Total Commitments	\$35,803.5	13.3

- As of December 31, 2006 the AIM Program had total commitments of \$35.8 billion and active commitments of \$21.2 billion.
- As of December 31, 2006 the AIM Program has generated a net internal rate of return (“IRR”) of 13.3%. The inception date was March 1990. As of December 2006, the ten-year rolling average return for the CalPERS Custom Wilshire 2500 Index plus 300 was 12.1%. The public markets performance has improved over the past couple of years, and the performance of the AIM program has improved and should continue to go higher as there is typically a lag in the valuations in the private market to those of the public market. In addition, the AIM program is still young and only has an average age of 3.9 years and therefore the majority of the portfolio is still in the early stage of its investment life. To address the young age of the AIM portfolio, CalPERS adopted a short-term benchmark. The benchmark measures performance of partnerships in the first five years of life against Venture Economics’ universe data. As of December 31, 2006, the AIM Program’s young funds produced an IRR of 25.0%, which ranks above the Custom Venture Economics Young Fund Universe median return of 3.8%⁵. Analysis of alternative private equity benchmarks indicates that the Custom Venture Economics Young Fund Universe is a more representative benchmark for the AIM Program, as it compares the Program’s young funds to a similar universe.
- The performance of the Program’s younger funds is affected by the “J-curve.” The “J-curve” references the typical pattern of investment returns exhibited by private investments. This occurs because managers’ investments are carried at cost until there is a tangible basis for changing an investment’s valuation. The significant outperformance of the CalPERS’ AIM Program in the face of the J-curve phenomenon is a function of well-rewarded deal selection.

² Includes all active and exited commitments (in \$ millions) as of December 31, 2006.

³ IRRs are provided by State Street PrivateEdge. The inception date for the AIM program is March 1990, but investment categories may have different inception dates.

⁴ Investment vehicles include California Emerging Ventures, California Emerging Ventures II, California Emerging Ventures III, California Initiative, and Corporate Partners Program.

⁵ The Venture Economics young fund universe information is preliminary. Venture Economics releases preliminary information to Wilshire and CalPERS when its database is at least 65% populated.

- The Program's partnership funds represent the single largest investment category in which the Program is invested. The buyout investments ranked very favorably versus the partnership universe provided by Venture Economics, outperforming the universe median during almost all vintage years. Through December 31, 2006 the partnership funds yielded a return close to 13.8%. The buyout funds are classified in the Corporate Restructuring and the Expansion Capital investment categories in Exhibit II. An annual as-of December detailed universe comparison is provided on Page 4 of this report.
- Venture capital showed a positive IRR of 8.2 as of December 31, 2006. As shown on page 5, the median IRR with the exception of 1998 and 2002 has performed well in comparison to the venture capital universe. An annual as-of December detailed universe comparison is provided on Page 5 of this report.

Universe Comparison Information For the period ended December 31, 2006

This section of the report will focus on the Program's performance versus a universe of its peers, provided by Venture Economics (VE)⁶. Specifically, there are three primary categories of alternative investments in which CalPERS invests. The categories are buyouts, mezzanine and venture capital.

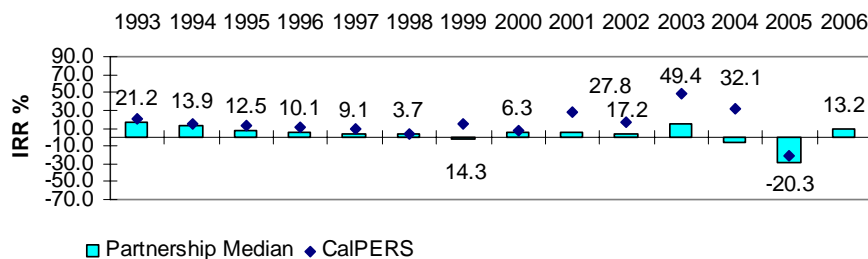
Each investment category is presented in a separate chart below. The universe median is plotted for each vintage year. This represents the return that falls at the 50th percentile of the specific asset category universe. CalPERS' performance, for funds in the asset category, is also plotted by vintage year (e.g., all buyout funds that were initiated in 1996 are aggregated into a composite internal rate of return for that vintage year). These universe charts will not show a ranking for CalPERS for those vintage years during which CalPERS had no investments. The vintage year format of performance reporting is consistent with the requirements of the CFA Institute.

The public equity market was up in 2006 as the Fed stopped raising interest rates in hopes of engineering a soft landing for the economy as housing prices slowed, but strong employment numbers remained. Due to strong returns in the public sector many investors continued to commit capital to the private markets. Venture capital and buyout fundraising set record levels in 2005 and strong fundraising has continued throughout 2006. When evaluating the performance of the young funds (1999-2005) below the historical returns may not be indicative of the investments' future potential as the J-Curve may have affected performance.

Exhibit III displays the VE Partnership Universe versus CalPERS' performance in this asset category. CalPERS' Partnership funds outperformed the universe median across all vintage years. The numbers in the charts represent CalPERS' IRRs.

Exhibit III⁷

CalPERS Performance vs Buyout Median Return



⁶ CalPERS has contracted with Venture Economics (VE), a database vendor, to obtain peer group comparison information. VE, in turn, provides this information to Wilshire. VE's buyout and venture capital databases are quite large and should provide a meaningful basis for comparison. The mezzanine database has much fewer data points and, therefore, is a less meaningful reference point.

⁷ Source: Venture Economics. This universe contains 10-60 funds per vintage year.

Exhibit IV below shows the CalPERS mezzanine performance compared to the VE Mezzanine Universe. Mezzanine has been a relatively small area of investment in the Program. The Program's funds have generated mixed performance when compared to the universe median. The segment has outperformed in 1992, 1994, 1998, and 1999, while trailing in 1996, 1997, and 2001. There were insufficient funds in the Venture Economics database to issue a median return for 2003-2006.

Exhibit IV⁸

CalPERS Performance vs Mezzanine Median Return

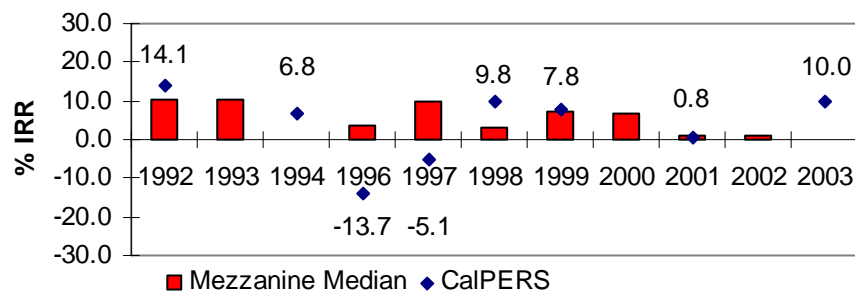
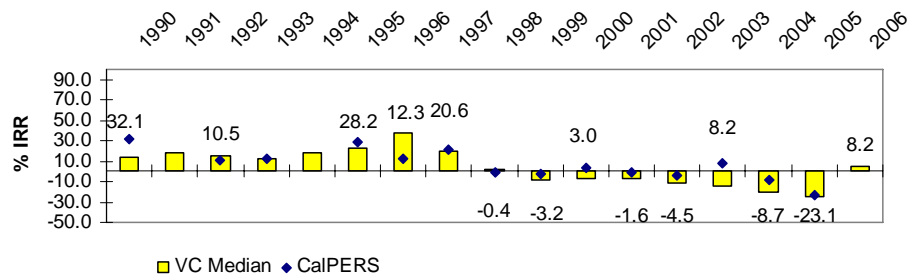


Exhibit V displays the VE Venture Capital Universe. The Program's performance in this segment has been mixed. CalPERS' venture capital funds have outperformed the universe median during most vintage years, with insufficient data for 1991 and 1994. Please note that these investments are still fairly young and their relative performance may not be indicative of future potential.

Exhibit V⁹

CalPERS Performance vs Venture Capital Median Return



⁸ Source: Venture Economics. The mezzanine median for 1994 and 2003 are not shown due to an insufficient universe size. CalPERS does not have mezzanine investments for 1993, 1995, 2000, and 2002.

⁹ Source: Venture Economics. This universe contains an average of approximately 50 funds per vintage year/ CalPERS did not have performance date for 1991 and 1994.

Market Environment

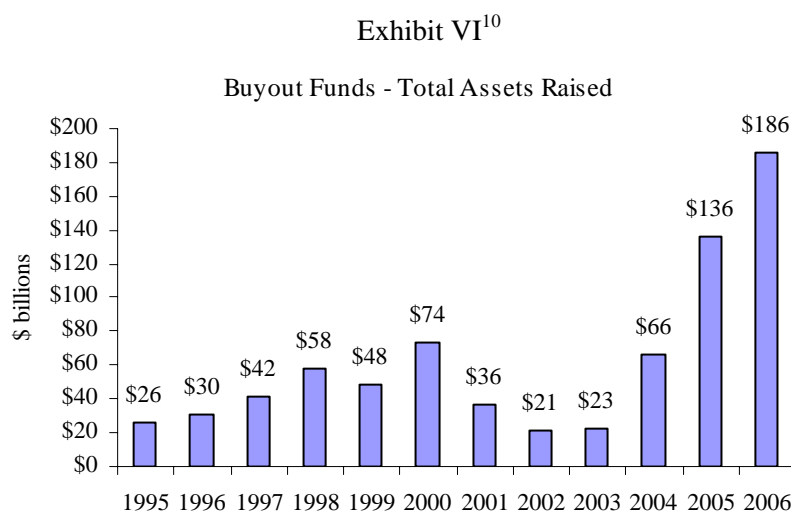
Public Markets & Alternative Investment

U.S. equity markets produced positive returns during 2006, as evidenced by the Dow Jones Wilshire 5000 Index and the S&P 500 Index returns of 11.3% and 11.8%, respectively. The non-U.S. equity markets also had significant gains as investors continued to look overseas for returns. The Federal Reserve stopped raising the Federal Funds Rate during the 1st quarter of 2006, and have kept the rate the same since then. Bond returns lagged equities but still produced a 6.6% return for the year. One fixed income segment that produced stellar returns was high yield bonds which returned 11.3% and easily outpaced investment grade issues as investors flocked from quality and looked for higher yields.

Investors funneled money into the private equity segment as fundraising continued to be strong. Merger and acquisitions activity remained especially vibrant in 2006 as there was an increase in acquisition activity due to a growing number of institutional investors investing in private equity and the low interest rate environment, which created a large pool of available funds. While the numbers below reaffirm a good period for private equity investments, one should note that there have been few IPO's for venture capital backed companies and many funds still have excess cash. The IPO market, with the exception of 2004, has slowed down considerably since the technology bubble, and merger and acquisitions activity has increased. This is starting to trouble officials of venture-backed funds and they remain adamant that the IPO activity needs to improve or the lack of IPO's and new businesses may have negative economic consequences.

Buyout Funds

Buyout funds finished 2006 with an impressive total of \$186 billion raised which topped 2005 (Exhibit VI).



Investment activity within buyout funds has increased as debt capital continues to be available at relatively low interest rates, and this has allowed buyout firms to tap into the market for leveraged buyout financing. Buyout firms are continuing to raise funds at a remarkable pace as these funds

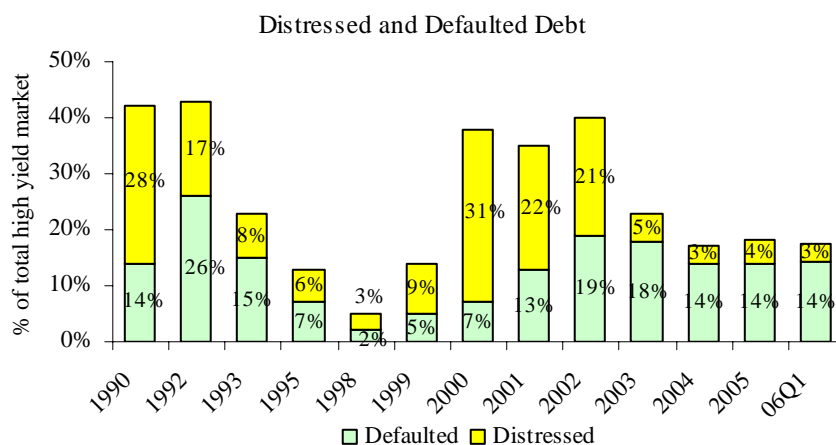
¹⁰ Source: Venture Economics.

have historically raised two to three times more dollars than venture funds but are now seeing that number creep up to four times as much.¹¹ The funds are starting to be put to work as the market has seen buyout firms such as Brookfield Properties and The Blackstone Group consolidate their assets to buy Trizec Properties in a transaction valued at \$8.9 billion. A deal that is rumored to happen is for the buyout firms of Kinder Morgan, Goldman Sachs, American International Group, and Carlyle Group to purchase the “oil and pipeline group” for \$13.5 billion which includes the buyout firms absorbing \$8 billion in debt that is on the balance sheet of the oil and pipeline group.¹²

Distressed and Mezzanine Debt

The high yield market produced positive results in 2005 and 2006. Debt benefited from improved corporate profits in all areas of the market, and from investors buying high-yield bonds for higher yields. Exhibit VII below shows the percentage of distressed and defaulted debt within the overall high yield market through the 1st quarter of 2006 as measured by the Altman Index. From 1993 to 1999, defaults in the high yield market had been rather benign, but corporate scandals and bankruptcies pushed those numbers up quickly in 2000-2002. The last time the high yield bond market traded in a similar pattern was during the 1990-1992 period. In 1990, roughly 28% of the high yield market traded at distressed levels¹³, and 14% of the market consisted of defaulted bonds. Since 2003, the levels of defaulted and distressed debt have decreased. At the end of 2004, the levels stood at 3% and 14%, respectively, dramatically lower than the figures reported for 2000-2002. The default rate from 2004 to the 1st quarter of 2006 remained stable. However, in 2006 the full-year default rate will likely fall below last year’s since the largest defaults of the last twelve months- Calpine, Delta, Delphi, and Northwest all occurred in 2005.¹⁴

Exhibit VII¹⁵



Mezzanine fundraising has historically been approximately 10% of the capital raised by buyout funds (Exhibit VIII), but in 2005 and 2006 the section continued to attract less money than buyout funds and fundraising dipped to around 5% of buyouts. Part of the reason mezzanine debt has become a less popular borrowing vehicle is that mezzanine debt is a subordinated position and the equity warrants attached make these securities an expensive form of debt. During most of the 1990s, the high availability of high yield bond financing significantly reduced the importance of

¹¹ Source: Venture Economics

¹² Source: CFO Publishing

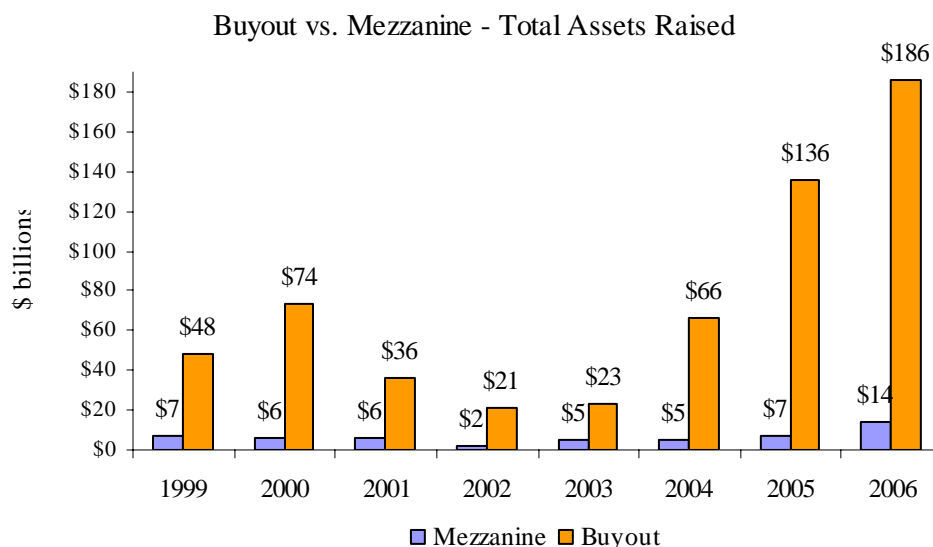
¹³ Exhibiting a yield spread of greater than 10% versus comparable maturity Treasury bonds.

¹⁴ Source: Seix Investment Co.

¹⁵ Source: NYU Salomon Center and Citigroup.

the mezzanine market. However, mezzanine debt has become more popular since the late 1990s for two reasons. First, many commercial banks tightened their lending standards given the extraordinarily high level of corporate defaults after the burst of the technology bubble, followed by accounting scandals that rocked the financial markets. Second, the high yield market has become more difficult to access, as the minimum threshold for new high yield offering has increased to above \$150 million from \$100 million. Many small to medium-sized companies resorted to mezzanine debt to finance acquisitions, capital expenditures, or recapitalizations, but the era appears to be changing. These companies cannot utilize the high yield market to raise money due to the aforementioned issuance threshold. However, this means that mezzanine financing is usually confined to the middle-market. Mezzanine deals in the U.S. seldom exceed \$50 million.

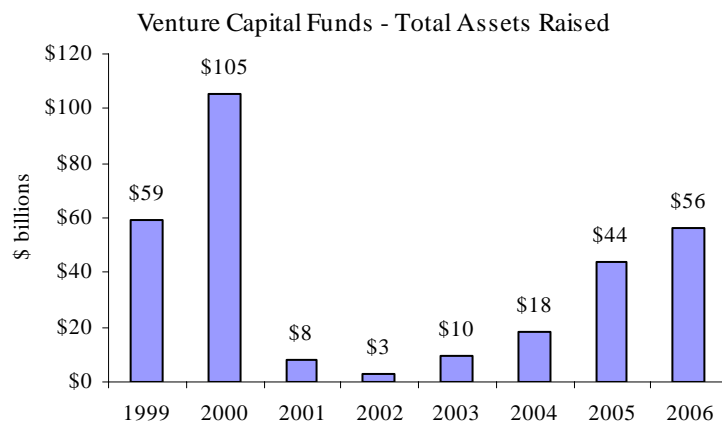
Exhibit VIII¹⁶



Venture Capital

Venture capital fundraising has steadily increased during the last two years. In 2006 venture capital firms raised approximately \$56 billion and beat the 2005 level (Exhibit IX).

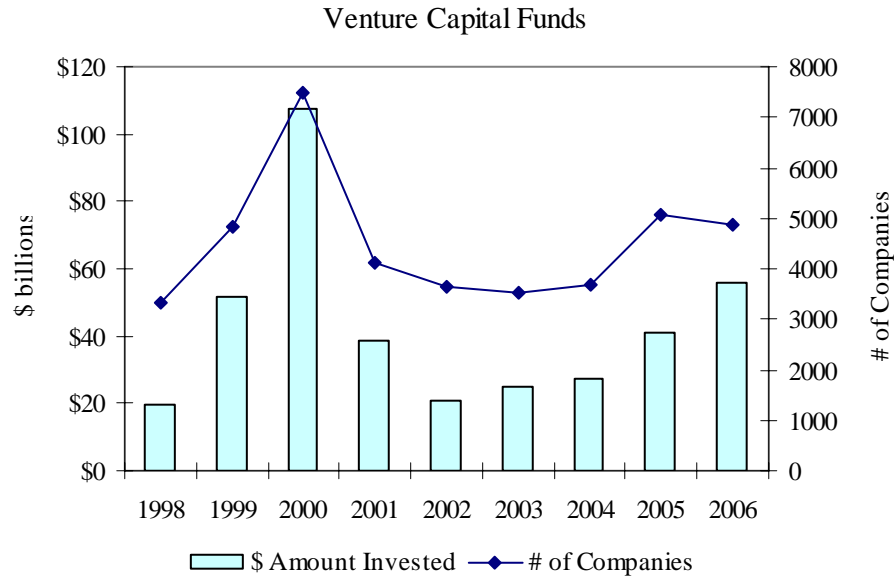
Exhibit IX¹⁷



¹⁶ Source: Venture Economics.

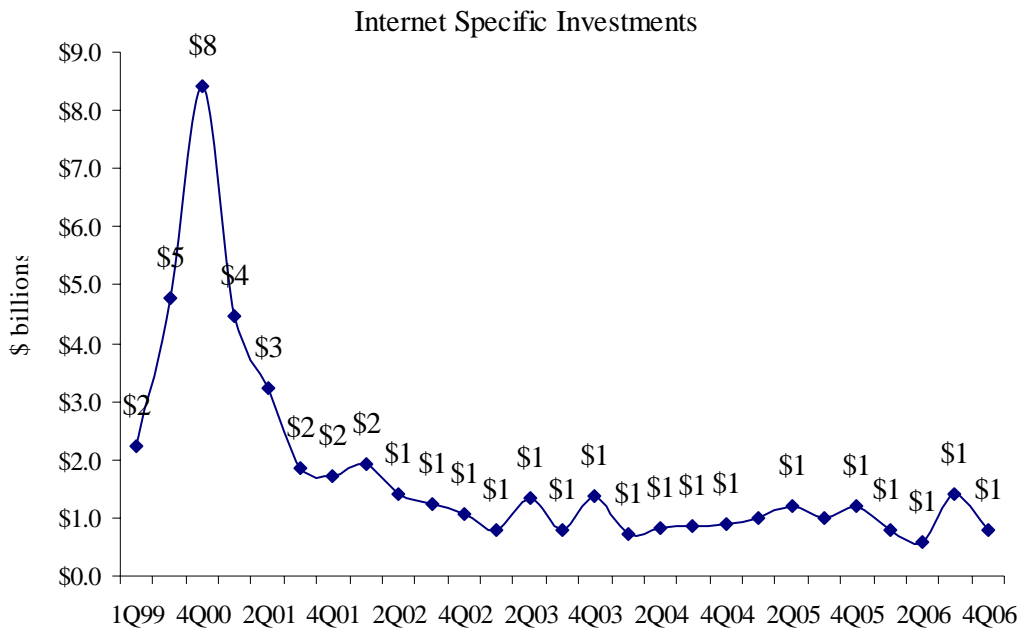
¹⁷ Source: Venture Economics.

Exhibit X¹⁸



The pace of investing within the venture capital markets in 2006 continued to be strong but the number of companies slightly fell (Exhibit X). The investment environment is much improved when compared to the early 2000s, when liquidity in the public markets was weak and the economy was mired in a minor recession. Internet-specific investments have decreased dramatically since 2000, but the decline has stabilized over the past few years (Exhibit XI).

Exhibit XI¹⁹

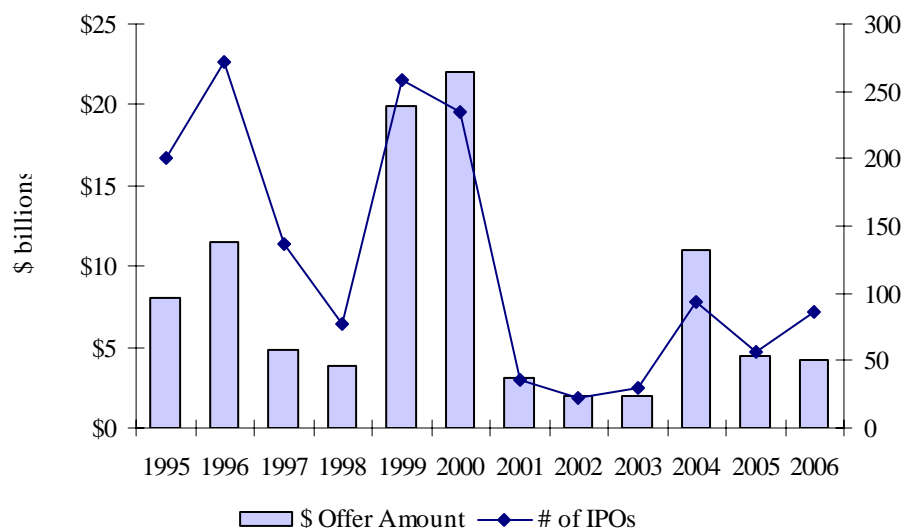


¹⁸ Source: Venture Economics.

¹⁹ Source: Venture Economics.

Initial Public Offering (“IPO”) activity within the venture capital market has decreased since 2004 when Google was one of the largest IPOs in recent years, but is still a little higher than in the early 2000s (Exhibit XII). Recently, the IPO market has not been as robust as expected as IPO issues of Burger King and Vonage did not live up to expectations and are trading at a discount to their IPO prices. However, Mastercard’s IPO and the overseas IPO markets have been showing recent strength. At least 29 countries have each hosted at least \$1 billion worth of IPO’s in 2005.²⁰

Exhibit XII²¹
IPO Assets vs. Number of IPOs



European Investing

European markets fund raising in private equity funds was still strong in 2006, with a total of \$23 billion raised with the majority of the funds going into the U.K. (Exhibit XIII). The U.K. led all countries in terms of investments, with France in second during 2006 (Exhibit XIV). The U.K. was the first non-U.S. private equity market to emerge and has matured substantially since. Germany and France have gained momentum as buyouts have become more prevalent within the European region, fueled by interest from U.S. investors. In addition, the strength of the Euro has provided European private equity investors increased confidence and has given investors the opportunity to focus on their businesses rather than on currency risk. Europe continues to be regarded as an emerging resource and is anticipated to garner increased activity, particularly within the buyout sector.

²⁰ Source: Ernst & Young

²¹ Source: Venture Economics.

Exhibit XIII²²

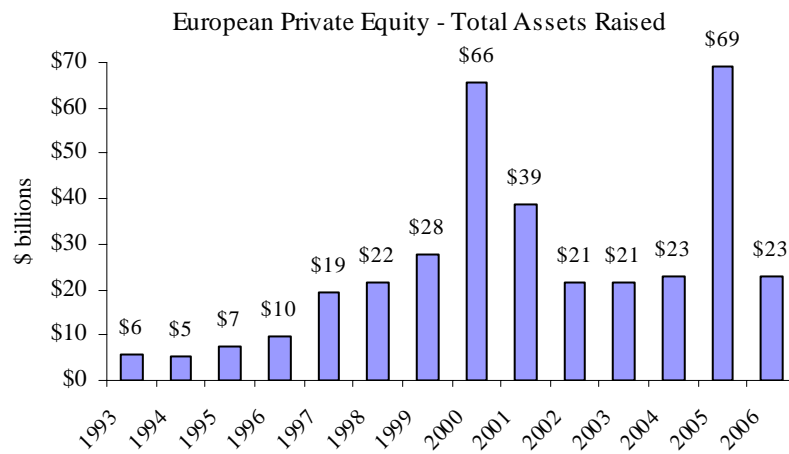
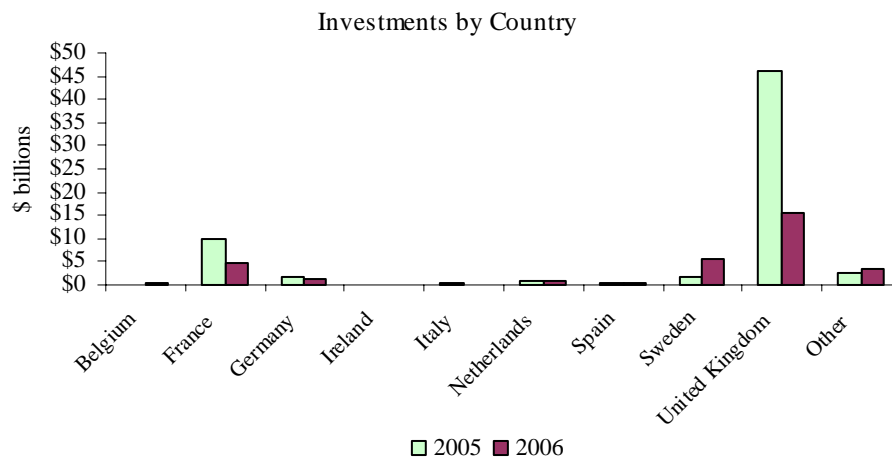


Exhibit XIV²³
Through December 31, 2006



²² Source: Venture Economics.

²³ Source: Venture Economics.



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June 18, 2007

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Deferred Compensation Program – Quarterly Report of Investment Performance
- II. PORTFOLIO:** Deferred Compensation Program
- III. RECOMMENDATION:** Information only
- IV. ANALYSIS:**

Attached for your review is the March 31, 2007 quarterly performance report of three funds managed by the Investment Office for the State of California's Savings Plus Program and/or the CalPERS 457 Program (for participating Public Agencies and Schools).

A separate page is presented for each of the three funds: the U.S. Treasury Short Term Fund, the U.S. Treasury Intermediate Term Fund, and the S&P 500 Index Fund. For each fund, the report contains a review of the asset growth, performance data, and a brief narrative.

V. STRATEGIC PLAN:

This item supports Goal V by providing sustainable pension benefit products and services responsive to and valued by members, employers, and stakeholders.

VI. RESULTS/COSTS:

Information to Committee members.

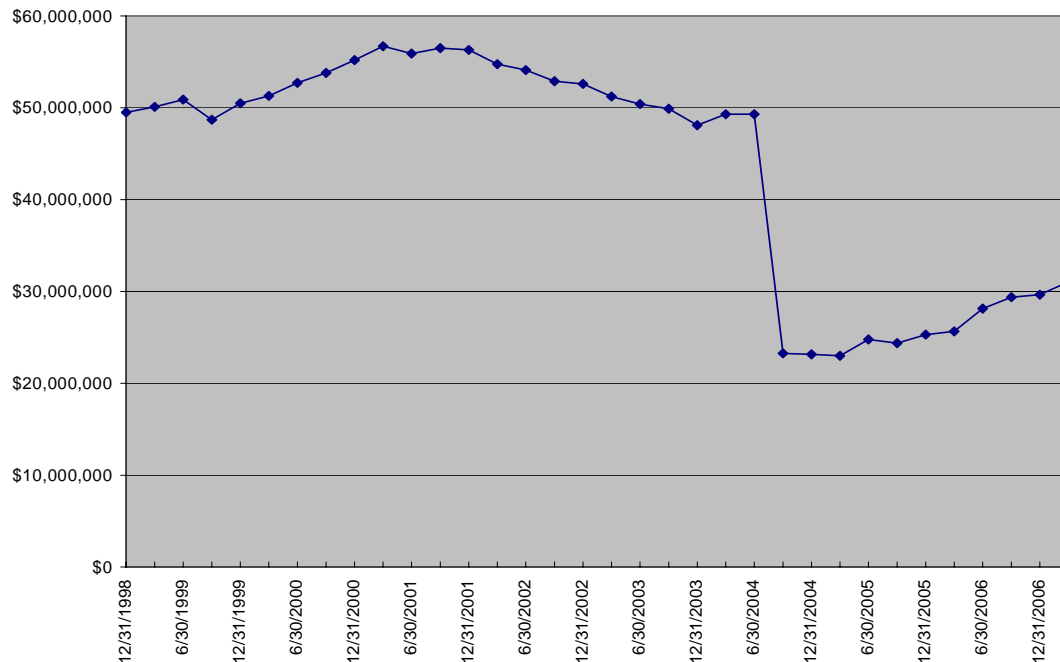
Christian Cardeno
Investment Officer

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Chief Operating Investment Officer

Russell Read
Chief Investment Officer

Deferred Compensation Program
U.S. Treasury Short Term Fund
March 31, 2007

ASSET GROWTH



	<u>12/98</u>	<u>12/99</u>	<u>12/00</u>	<u>12/01</u>	<u>12/02</u>	<u>12/03</u>	<u>12/04</u>	<u>12/05</u>	<u>12/06</u>	<u>03/07</u>
Market Value (\$ millions)	49.5	50.5	53.8	56.3	52.6	48.1	23.1	25.3	29.6	31.0

PERFORMANCE*
For Periods Ended March 31, 2007

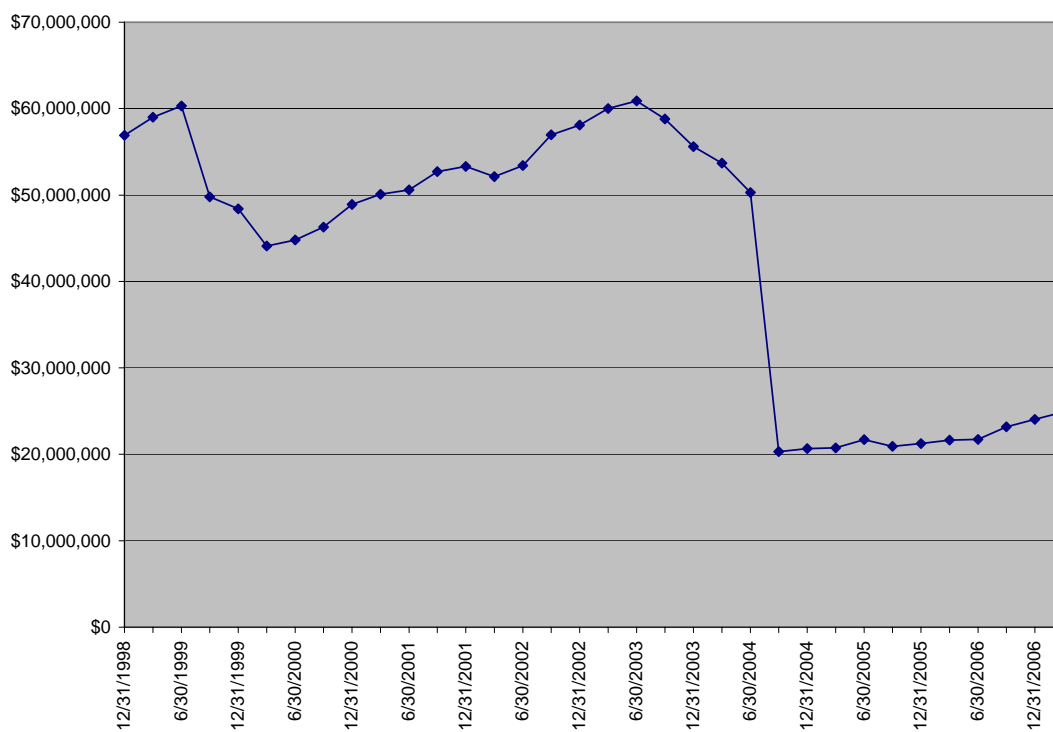
	<u>Qtr.</u>	<u>1 Yr.</u>	<u>3 Yr. Annualized</u>	<u>5 Yr. Annualized</u>
U.S. Treasury Short Term	1.32%	5.24%	3.46%	2.57%
<u>Benchmark:</u>				
PERS 1 Month T-Bill	1.19%	4.81%	3.21%	2.42%

Comments: During the first quarter of 2007, 1-month T-Bills traded in a range of 4.66% to 5.25%. 1-month T-Bills began the quarter at 4.72% and ended the quarter at 5.06%. The Bill's rate movement throughout most of the period was varied with the rate reaching a high of 5.25 on February 21 and then declining to 5.06% at quarter end. The rise is likely due to the markets early expectation the Federal Reserve would raise the Fed Funds rate to stem inflation pressures. Subsequently, the markets expectation changed due to a modestly slowing economy and contained inflationary pressures with a corresponding belief the Federal Reserve would maintain rates or possibly cut rates. During the quarter the FOMC maintained at 5.25%.

*Gross performance. CalPERS 457 Program has asset management fees of .29% per year and an administration fee of .26% per year.

Deferred Compensation Program
U.S. Treasury Intermediate Term Fund
March 31, 2007

ASSET GROWTH



	<u>12/98</u>	<u>12/99</u>	<u>12/00</u>	<u>12/01</u>	<u>12/02</u>	<u>12/03</u>	<u>12/04</u>	<u>12/05</u>	<u>12/06</u>	<u>03/07</u>
Market Value (\$ Millions)	56.9	48.4	48.9	53.3	58.1	55.6	20.7	21.3	24.0	24.9

PERFORMANCE*
For Periods Ended March 31, 2007

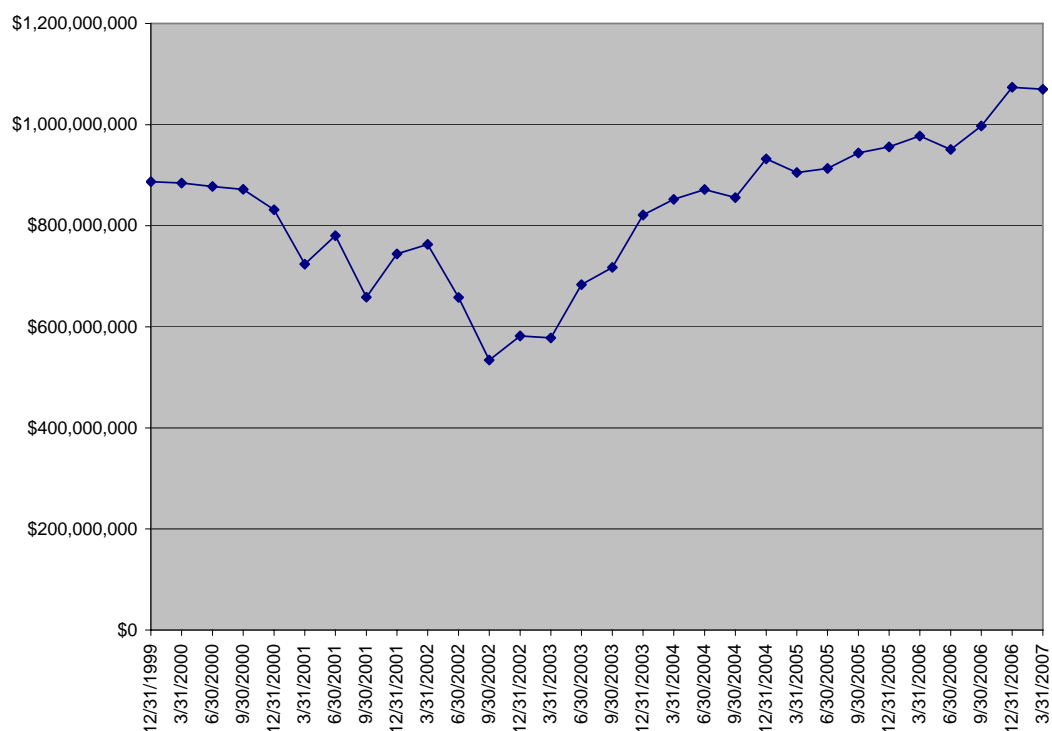
	<u>Qtr.</u>	<u>1 Yr.</u>	<u>3 Yr. Annualized</u>	<u>5 Yr. Annualized</u>
U.S. Treasury Intermediate Term	1.57%	5.70%	2.39%	4.32%
<u>Benchmark:</u> CalPERS Custom Lehman 1-10	1.56%	5.63%	2.18%	4.05%

Comments: The first quarter of 2007 began with the yield on the U.S. Treasury 3 year Note at 4.74% and the 5 year Note at 4.70%. During the quarter, interest rates declined in short term Notes with maturities from 2 to 10 years. These changes occurred due to early economic indicators of a slowing economy which led to market expectations the Federal Reserve would lower rates. However, during the quarter the Federal Reserve maintained the Federal Funds Rate at 5.25%. The 3 year Note ended the quarter at 4.534% and the 5 year Note at 4.537%.

*Gross performance. Savings CalPERS 457 Program has asset management fees of .29% per year and an administration fee of .26% per year.

Deferred Compensation Program
S & P 500 Index Fund
March 31, 2007

ASSET GROWTH



	<u>12/99</u>	<u>12/00</u>	<u>12/01</u>	<u>12/02</u>	<u>12/03</u>	<u>12/04</u>	<u>12/05</u>	<u>12/06</u>	<u>03/07</u>
Market Value (\$ millions)	887.1	831.6	744.3	581.7	821.1	932.2	955.9	1,074.3	1,070.0

PERFORMANCE*
For Periods Ended March 31, 2007

	<u>Qtr.</u>	<u>1 Yr.</u>	<u>3 Yr. Annualized</u>	<u>5 Yr. Annualized</u>
S&P 500 Index Fund	0.65%	11.91%	10.08%	6.23%
<u>Benchmark:</u>				
S&P 500 Index	0.64%	11.83%	10.06%	6.27%

Comments: For the quarter, the portfolio returned 1 bps versus the S&P 500 index. The NAV returns for the quarter and one-year period were 0.65% and 11.97% versus the benchmark's 0.64% and 11.83% respectively. The S&P 500 Index Fund began in November 1991 with the Savings Plus Program and grew as the CalPERS 457 Program was added in February 1995.

*Gross performance. As of July 1, 1996 asset management fees for the Savings Plus Program were renegotiated to .056% per year. Prior to July 1, 1996 Savings Plus Program had asset management fees of .16% per year. CalPERS 457 Program has asset management fees of .09% per year and an administration fee of .26% per year.

**Above returns are calculated using Internal Rate of Return (IRR).



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June 18, 2007

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Securities Lending Earnings
(Quarter Ended March 31, 2007)
- II. PROGRAM:** Securities Lending
- III. RECOMMENDATION:** Information Only
- IV. ANALYSIS:**

Earnings for the quarter ended March 31, 2007, are presented to the Investment Committee for information.

Asset Class	Average Lendable Assets (\$ 000)	Average % on Loan	Net Margin (Annualized)	Net Income to CalPERS (\$ 000)
Global Equities	\$122,839,424	21%	53 bp	\$33,331
Global Fixed Income	\$ 32,657,416	51%	24 bp	\$ 9,757
Total Program	\$155,496,840	27%	41 bp	\$43,088

Policy Violations:

Boston Global Advisors did not violate the policy during the first quarter of the calendar year.

Credit Suisse did not violate the policy during the first quarter of the calendar year.

eSecLending did not violate the policy during the first quarter of the calendar year.

Metropolitan West violated the policy during the first quarter of the calendar year. As a result of a decrease of loan balances, Metropolitan West exceeded the single counterparty balance limit for a period of five days.

State Street Bank did not violate the policy during the third quarter of the calendar year.

V. STRATEGIC PLAN:

This program contributes to the achievement of Goal VIII of the Strategic Plan by providing low risk incremental returns to the Fund.

VI. RESULTS/COSTS:

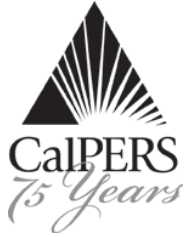
The securities lending program generated \$43.1 million of net income for the quarter ended March 31, 2007. The average market value of securities on loan for the quarter was \$41.9 billion.

Mike Johnson
Investment Officer

Daniel Kiefer
Portfolio Manager

Curtis D. Ishii
Senior Investment Officer

Russell Read
Chief Investment Officer



Investment Office

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June 18, 2007

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Quarterly Statistics
- II. PROGRAM:** Supplemental Income Plans Division
- III. RECOMMENDATION:** Information only

IV. ANALYSIS:

CalPERS 457 Program - During the 1st quarter ending March 31, 2007, the CalPERS 457 Program experienced a \$29.1 million (4.8%) net increase in assets for a total of \$642.9 million. The number of participants grew by 699 (3.1%), to 23,292 and agency adoptions by 10 (1.71%), to 594.

The current asset value of the program as of April 30, 2007 is \$661.9 million, with 23,545 participants and 594 agencies.

State Peace Officers' and Firefighters' Defined Contribution Plan (POFF) - The POFF Plan assets grew 4.9% from last quarter, to \$307.8 million. The number of participants increased by 236 (0.64%), for a total of 37,371.

Supplemental Contributions Program (SCP) - The SCP assets decreased -0.4% from last quarter, to \$22.4 million. The number of participants decreased by 98 to 757, for a -11.5% decrease.

Savings Plus Program - In the Savings Plus Program, the Large Cap Equity Index Fund (CalPERS S & P 500 Fund) totaled \$939.6 million in assets under management, representing a decrease of \$6.6 million (-0.7%) over the previous quarter.

V. STRATEGIC PLAN:

This item supports Goal V, by providing sustainable pension benefit products and services responsive to and valued by members, employers, and stakeholders.

VI. RESULTS/COSTS:

Attachment 1 summarizes CalPERS 457 Program information for the first quarter of 2007.

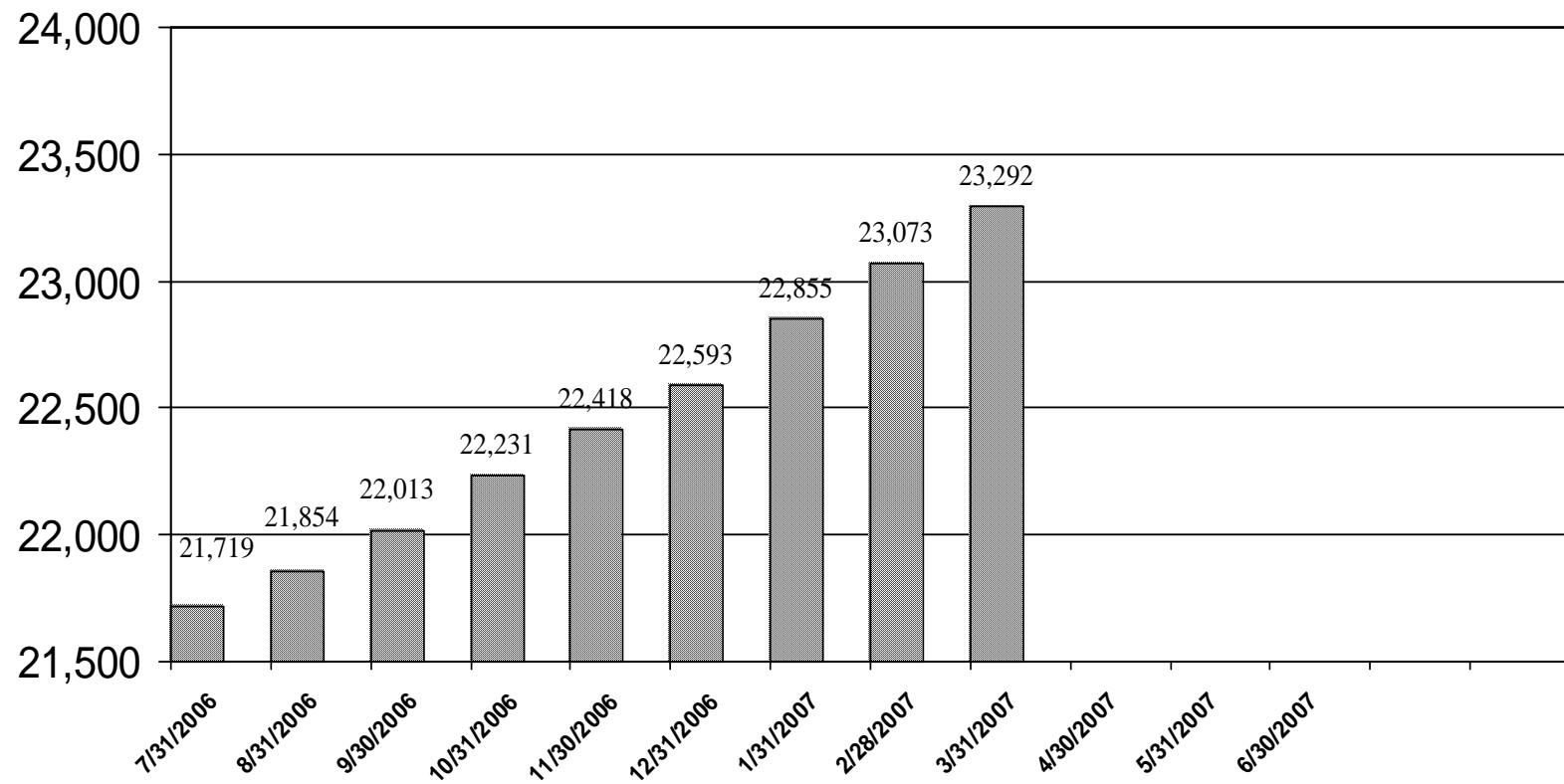
Attachment 2 depicts updated monthly figures for CalPERS 457 Program asset and participant growth for April 2007.

Geraldine Jimenez, CFA
Division Chief

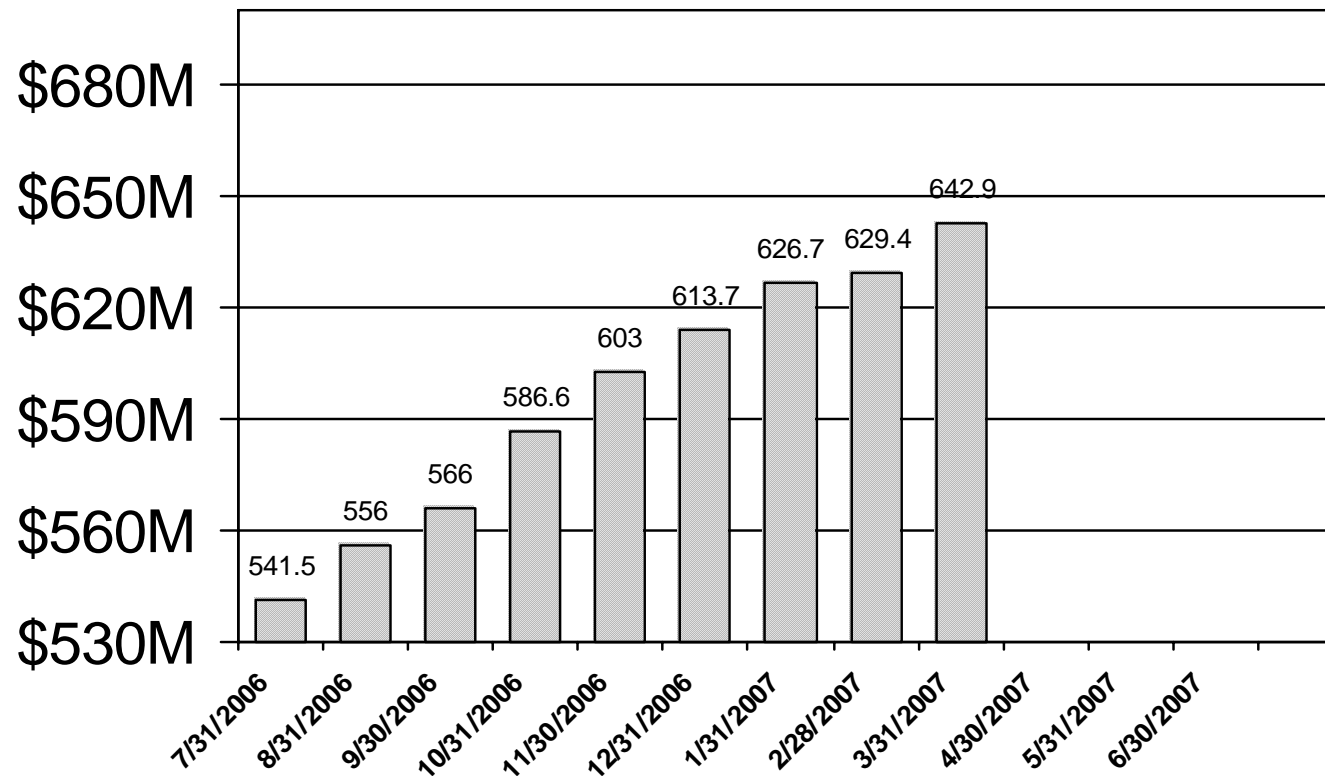
Anne Stausboll
Chief Operating Investment Officer

Russell Read
Chief Investment Officer

CalPERS 457 Program Number of Participants 1st Qtr 2007



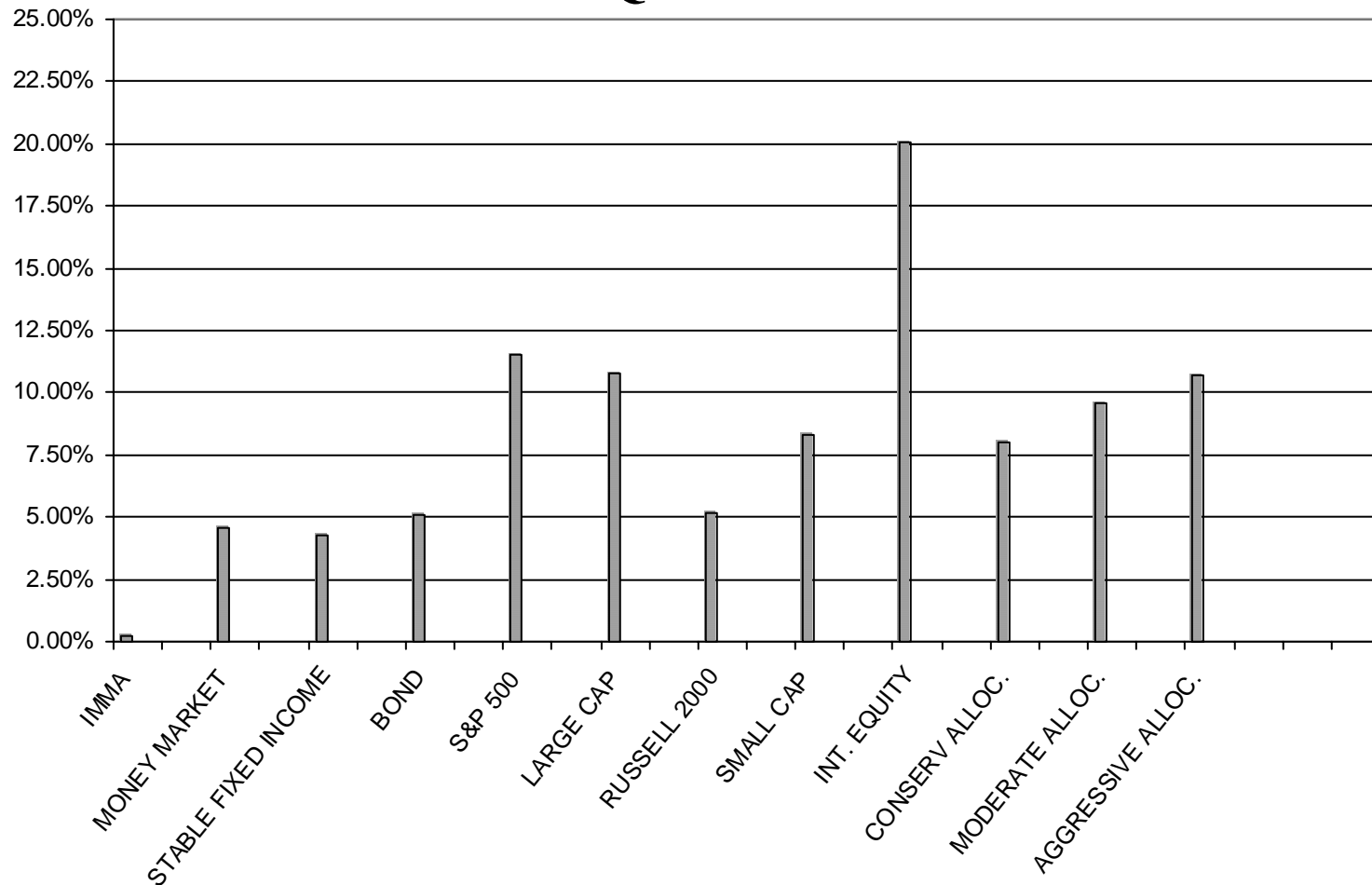
CalPERS 457 Program Assets 1st Qtr 2007



CalPERS 457 Plan

1 Yr Performance Returns

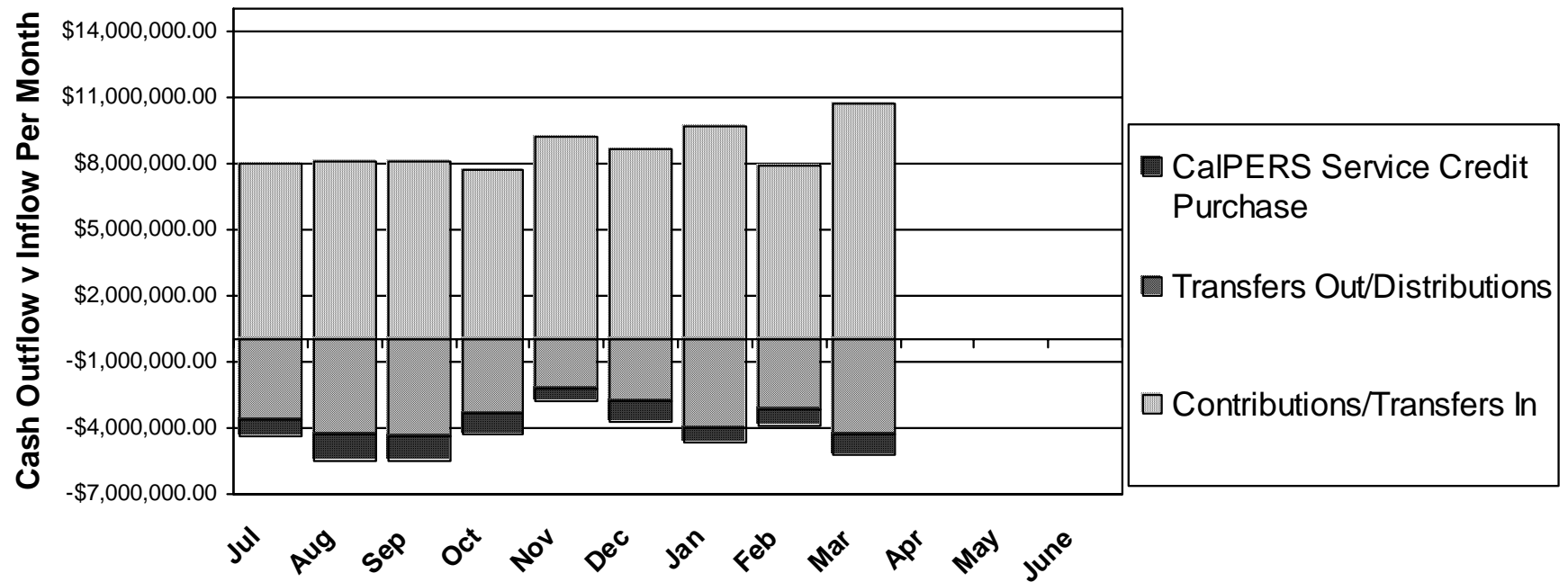
1st Qtr 2007



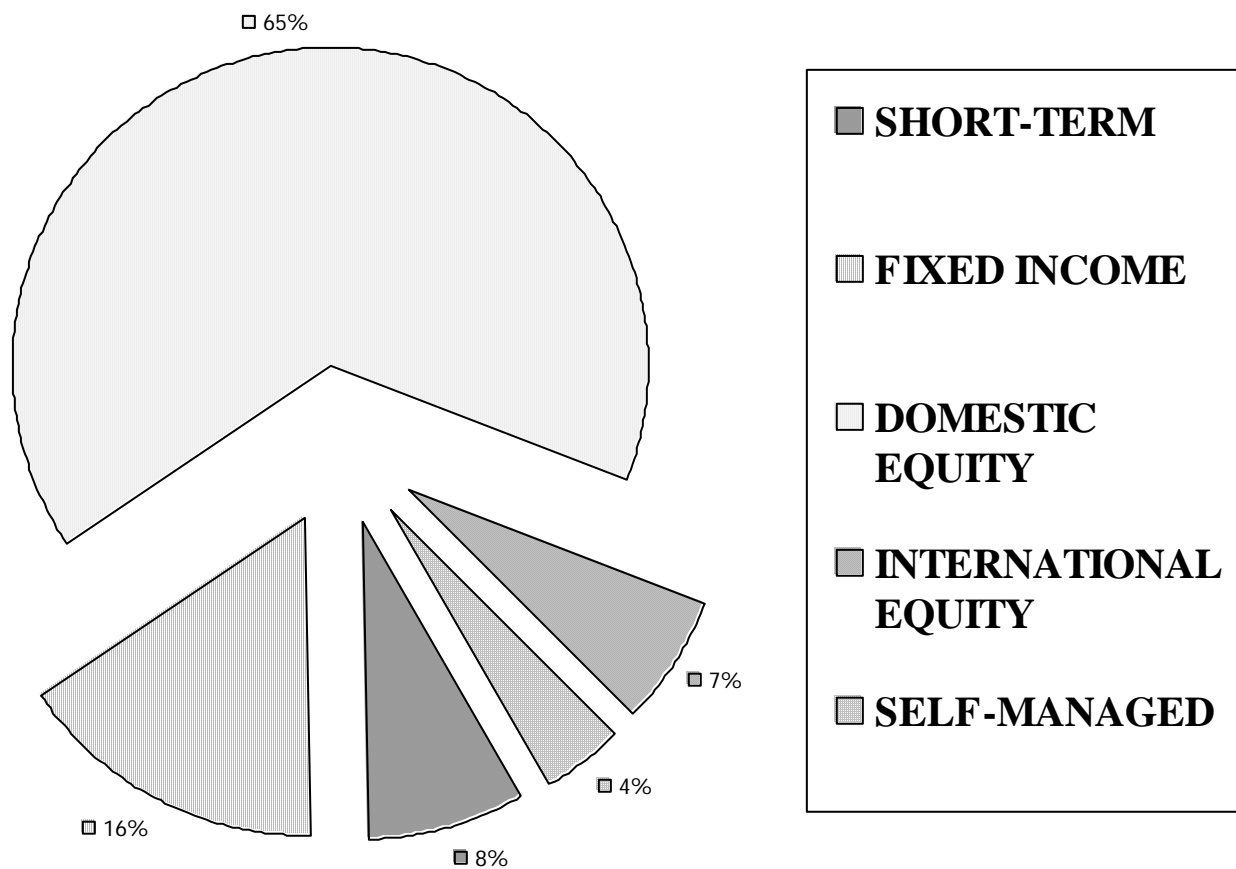
CalPERS 457 Program

Inflows vs Outflows

1st Qtr 2007



CalPERS 457 Plan Asset Allocation 1st Qtr 2007



CalPERS 457 Program Month-End Report April 2007

